No. 80-843

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MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1980

CARIBE TRAILER SYSTEMS, INC. AND JOHN R. IMMER,
Petitioners,

v.

PUERTO RICO MARITIME SHIPPING AUTHORITY, ET AL.,
Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The District Of Columbia Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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December 23, 1980

QUESTIONS PRESENTED

1. Did the Court of Appeals err in affirming the District Court's finding that where the Legislature of the Commonwealth of Puerto Rico created a government-owned and controlled entity with a specific legislative mandate to displace competition with public provision of shipping services, the sale of shipping assets by private steamship companies to the government authority and the acquisition and operation of the assets by the government authority pursuant to such legislative mandate is immune from liability under the Sherman Antitrust Act, as a result of the "state action doctrine" enunciated in *Parker v. Brown*, 317 U.S. 341 (1943)?

2. Did the Court of Appeals err in affirming the District Court's finding that venue was not appropriate within the District of Columbia for the three respondents, R.J. Reynolds, McLean Industries, and Gulf Puerto Rico Lines?

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RESPONDENTS' BRIEF IN OPPOSITION

OPINIONS BELOW

The United States District Court for the District of Columbia entered summary judgment in favor of respondents on April 23, 1979. (Pet. App. 1a-31a). The District Court ruling was reported at 475 F.Supp. 711 (D.D.C. 1979). The United States Court of Appeals for the District of Columbia Circuit affirmed the District Court ruling in an unreported *per curiam* ruling entered on July 3, 1980. (Pet. App. 32a-33a.)[1]

[1] Pursuant to the provisions of Rule 28(1) of the Rules of this Court, the corporate respondents have included as Appendix A to this brief a list naming the parent companies, subsidiaries (other than wholly-owned subsidiaries) and affiliates of each such corporation.

STATEMENT OF THE CASE

Because of Puerto Rico's small size, limited resources, and insular position, its economy is heavily dependent on external trade. Virtually all of this trade moves by ship — three-quarters of it between Puerto Rico and the East and Gulf Coast ports of the United States.

The dependence of the island's economy on affordable and reliable shipping services led the Governor of Puerto Rico, in 1973, to establish a special commission to study the feasibility of the Commonwealth's undertaking to acquire and operate shipping vessels in this trade. At that time three major carriers were operating between Puerto Rico and Gulf and East Coast ports: Seatrain, Inc., Sea-Land Service, Inc. and Transamerican Trailer Transport, Inc. The Governor's Commission studied Puerto Rico's existing and projected shipping needs as well as existing shipping service to the island. The Commission proposed legislation creating a public instrumentality to own and operate the shipping assets necessary to provide adequate service and pursued tentative negotiations with the three major carriers then engaged in the Gulf and East Coast/Puerto Rico trade.

On May 30, 1974, the Commission submitted a report containing the results of its study to the Puerto Rico Senate. The report gave detailed consideration not only to the specific shipping capacity the new instrumentality would need to acquire, but also to the legal issues that arose under the federal antitrust laws as a result of creating state monopoly service. The Commission reported that, under the state action doctrine, an express governmental mandate creating and governing "a child of the state" would exclude the proposed shipping authority from antitrust liability.

On June 10, 1974, the Puerto Rico Legislature enacted Public Law No. 62, the Puerto Rico Maritime Shipping Authority Act, 23 P.R. Laws Ann. §3051 *et seq.* (1978) (the "PRMSA Act"). The PRMSA Act created the Puerto Rico Maritime Shipping Authority ("PRMSA"), a tax-exempt, nonstock public corporation, and directed it to acquire and operate private shipping lines as a public service. Under the provisions of the PRMSA Act, PRMSA is governed by a seven-member board appointed by the Governor with the advice and consent of the Puerto Rico Senate. *Id.* §3054. Its bonds are secured by the Commonwealth and its profits are paid directly into the Commonwealth's Treasury. *Id.* §§3068, 3072. PRMSA is required to file annual reports concerning its operations with the Governor and Puerto Rico Legislature. *Id.* §3073.

In this enabling legislation, the Legislature underscored the critical dependence that Puerto Rico's economy had on shipping facilities and made a determination, expressed clearly in the PRMSA Act, that the public interest of Puerto Rico in being able to rely on adequate and stable maritime transportation outweighed any harm that might result from anticompetitive acts necessary to provide this service. It therefore concluded that PRMSA should not be subject to antitrust liability.

> The Legislature of Puerto Rico intends that this instrumentality acquires and operates shipping lines and terminal facilities as a public service, and that in doing so, it shall not be subject to the antitrust laws nor any other limitation that could hinder the effective discharge of the endeavor that this act has imposed on the public instrumentality hereby established.

Statement of Motives, Public Law No. 62, June 10, 1974.

Prior to effecting the transfers of assets from the private carriers to PRMSA, the Commonwealth of Puerto Rico sought a business review letter from the Antitrust Division of the Department of Justice. In its submission to the Department of Justice, the Commonwealth fully outlined the nature, purpose and effect of PRMSA's proposed plan of acquisition and operation. Although the acquisitions gave PRMSA control over approximately 90 percent of the then existing maritime transportation to and from Puerto Rico, the Antitrust Division indicated by letter dated July 22, 1974, that it would take no action to challenge the acquisitions. Accordingly, PRMSA proceeded to acquire vessels and related equipment from the three major shipping lines then serving Puerto Rico.

In the course of effecting the sale, respondents Sea-Land Service, Inc. ("Sea-Land"), Gulf Puerto Rico Lines, Inc. ("GPRL"), McLean Industries, Inc. ("McLean") and R.J. Reynolds Industries ("Reynolds") met on occasion with counsel and with representatives of PRMSA in the District of Columbia for purposes of negotiating contract terms. At that time GPRL was a wholly-owned subsidiary of Sea-Land. Sea-Land in turn was owned by McLean, which was itself a wholly-owned subsidiary of Reynolds.

Petitioner Caribe Trailer Systems, Inc. ("Caribe") was created by petitioner John R. Immer for the asserted purpose of engaging in ocean transportation between the East Coast and Gulf ports of the United States and Puerto Rico. Caribe, however, never became operational. Caribe does not own, lease, charter or operate any vessels, terminals or other capital assets, and has no employees.

Shortly after the creation of PRMSA in 1974, the Federal Maritime Commission ("FMC") instituted a proceeding to determine whether certain agreements relating to the creation and operation of PRMSA constituted cooperative working arrangements within the meaning of Section 15 of the Shipping Act of 1916, 46 U.S.C. §814 (1970), which requires FMC approval of such arrangements prior to implementation. Petitioners participated in that proceeding which was dismissed by the FMC on August 5, 1977.

On March 13, 1978, petitioners brought this suit alleging conspiracy, monopoly, and restraint of trade in violation of Sections 1, 2 and 3 of the Sherman Act, 15 U.S.C. §§1-3 (1976). The twelve defendants in this action were PRMSA, Puerto Rico Ports Authority ("PRPA"), Puerto Rico Marine Management, Inc. ("PRMMI"), Sea-Land, Transamerican Trailer Transport, Inc. ("TTT"), American Union Transport ("AUT"), Sun Shipbuilding & Dry Dock Co. ("Sun Ship"), GPRL, McLean, Reynolds, TKM Transportation ("TKM"), and Trans Ocean Transportation Executive Management, Inc. ("TOTEM"), each one of which was directly or indirectly involved in the acquisition or operation of the shipping assets.

Respondents filed motions for summary judgment asserting that (i) the transactions that formed the basis for petitioners' complaint were immune from the antitrust laws under the state action doctrine enunciated in *Parker v. Brown*, 317 U.S. 341 (1943), (ii) the court lacked *in personam* jurisdiction, and (iii) venue was improper in the District of Columbia. At no time did petitioners initiate or attempt to initiate any discovery. On April 23, 1979, the District Court issued an order and opinion dismissing the complaint against PRMSA,

PRPA, PRMMI, TTT, TKM, Sea-Land, AUT, TOTEM and Sun Ship by reason of the state action doctrine, and dismissing the complaint against Reynolds, McLean and GPRL for lack of venue.

Petitioners appealed the ruling to the Court of Appeals. In their briefs on appeal, petitioners did not confine themselves to the antitrust and venue questions raised by the complaint below but also offered additional arguments that were not raised or had been conceded below.

On February 13, 1980, the Court of Appeals issued an order making the United States a party to the case *amicus curiae* and requesting that the views of the United States on the matters in issue be submitted. In accordance with that order, Assistant Attorney General Sanford M. Litvak of the Department of Justice, Antitrust Division, submitted an *amicus curiae* brief in the proceeding on behalf of the United States. In its brief, the Department of Justice argued that the acquisition and operation of the shipping assets by the Puerto Rico agencies came well within the ambit of the state action doctrine and that the related activities of the private parties necessarily came under the umbrella of the agencies' immunity from antitrust liability.

In their brief submitted in response to the *amicus curiae* brief of the United States, petitioners argued for the first time that the PRMSA Act violated the Commerce Clause of the United States Consitution. In the same brief, petitioners made a series of unsupported allegations concerning the composition of the appellate panel, the relation of former Secretary of Commerce Juanita Kreps to respondent Reynolds and the failure of the Attorney General to discharge his duty to defend the

public interest. Respondents filed a motion to strike portions of petitioners' brief as being scandalous and immaterial.

The Court of Appeals denied respondents' motion but the next day issued a *per curiam* opinion affirming the lower court's ruling. The Court of Appeals declined to rule on petitioners' extraneous arguments, noting that "We are satisfied that the district court correctly identified the issues raised by the plaintiff as involving only violations of the Sherman Act." (Pet. App. 32a).

REASONS WHY THE WRIT SHOULD BE DENIED

This case possesses none of the characteristics that generally warrant review of a lower appellate court ruling by this Court. This case involves a relatively narrow area of the law that has been addressed in detail by this Court. The decision of the Court of Appeals conforms with prior rulings of this Court and does not conflict with the decision of any other circuit. Though petitioners aver that sweeping principles confront the Court in this case, few of the principles identified by petitioners were involved in the decisions below.

The courts below did not hold PRMSA immune from "federal laws". They held simply that, under the facts in this case, it was immune from federal antitrust laws by virtue of the state action doctrine.

The courts below did not declare Puerto Rico a "state" for all purposes. They ruled only that it was the equivalent of a state for purposes of applying the state action doctrine.

The courts below did not rule that Puerto Rico retained sovereign immunity beyond its territorial borders. Indeed, the question of sovereign immunity was never

reached because the courts found there was no liability in the first instance.

Furthermore, the courts below did not pass upon the validity of the PRMSA Act under the Second Organic Act of Puerto Rico or the Commerce Clause. Neither of those issues was raised by petitioners in their complaint.

The courts below ruled on two sharply-focused issues: the state action doctrine and venue. In deciding those issues, the lower court relied on well-established precedent. There is, accordingly, no cause for this Court to review the decision of the Court of Appeals.

1. The Court Of Appeals Decision Affirming The District Court's Ruling That The Activities Of Respondents Challenged In The Complaint Are Immune From Antitrust Liability Under The State Action Doctrine Is Consistent With Decisions Of Other Circuits And This Court.

The fundamental question before this Court is whether the Court of Appeals correctly affirmed the District Court's ruling that the respondents' activities in connection with the formation and operation of PRMSA were immune from antitrust liability under the state action doctrine.

The District Court carefully assessed the respondents' claim of immunity from the antitrust laws against the established tests for determining the applicability of the state action doctrine and found that the challenged activities were immune. The court's holding was limited to the specific allegations in petitioners' complaint. Contrary to petitioners' contention, the opinion did not address and has no bearing on the issue of Puer-

to Rico's liability under any other federal law or any other set of facts.

(1) The District Court, in considering the respondents' claim of immunity from the antitrust laws under the state action doctrine enunciated in *Parker* v. *Brown*, considered in some detail recent judicial treatment of the doctrine. After reviewing the holdings and underlying facts of *Parker, City of Lafayette* v. *Louisiana Power & Light Co.*, 435 U.S. 389 (1978), and other cases, the District Court restated the criteria by which it judged respondents' actions: "In summary, the most recent judicial interpretations of the state action doctrine require that the anticompetitive conduct engaged in by a state instrumentality be undertaken pursuant to a governmental policy to displace competition with regulation or monopoly public service." (Pet. App. 26a). The standard employed by the District Court for assessing the validity of a claimed immunity under the state action doctrine is virtually identical to the standard set forth in *City of Lafayette* where this Court found that actions of state instrumentalities are not immune unless they are undertaken "pursuant to state policy to displace competition with regulation or monopoly public service." 435 U.S. at 413 (plurality opinion).

The test applied by the District Court is also consistent with this Court's subsequent ruling in *California Retail Liquor Dealers Ass'n* v. *Midcal Aluminum, Inc.*, _____ U.S. _____, 100 S.Ct. 937 (1980). In *Midcal* the Court, relying on its opinion in *City of Lafayette*, expressed the test for determining antitrust immunity as follows:

> First, the challenged restraint must be "one clearly articulated and affirmatively expressed as state policy"; second, the policy must be "actively super-

> vised" by the state itself. *City of Lafayette* v. *Louisiana Power & Light Co.*, 435 U.S. 389, 410 (1978) (opinion of BRENNAN, J.).

Id. at 943.

The creation of PRMSA by the Puerto Rico Legislature clearly meets this test. Moreover, the activities of the private respondents in selling the shipping assets and operating them on behalf of PRMSA also meet this test, for those activities were undertaken solely to implement the Puerto Rico Legislature's mandate embodied in the PRMSA Act. As the District Court said:

> In the present action the nongovernmental defendants maintain that their conduct is immune from antitrust liability because of the state action immunity applicable to PRMSA. The Court agrees with this interpretation, for it would be anomalous to hold that PRMSA, the state-sanctioned mechanism for acquiring control of the island's ocean transportation, was immune as the buyer of the assets of certain carriers and simultaneously to withhold such immunity from the selling carriers. Similarly defendants PRMMI, TKM, and TOTEM, whose involvement in this lawsuit arises from their operation and management of cargo vessels on behalf of PRMSA, cannot be held liable under the antitrust laws if PRMSA's conduct in operating the ships was immunized.

(Pet. App. 27a, 28a.)

The logic of this principle is underscored by the fact that refusal to extend state action immunity to private parties involved in related activities would allow litigants to thwart state policies by pursuing antitrust claims against private parties so involved.

In *Midcal* this Court once more reiterated the principle that where a state displaces "unfettered business

freedom" with its own power, such activity is immune from the Sherman Act. 100 S.Ct. 937, 943. *See also New Motor Vehicle Bd.* v. *Orrin W. Fox Co.*, 439 U.S. 96 (1978). The creation and operation of PRMSA are immune under this principle.

The Court of Appeals ruling was made with the benefit of this Court's holding in *Midcal*. There is no conflict between the lower court's ruling, as affirmed by the Court of Appeals, and the prior rulings of this Court. Nor is there any conflict with the rulings of any other circuit.

(2) The fallacy inherent in petitioners' argument that the state action doctrine does not extend to governmental action that has effects beyond the geographic boundaries of the state was ably exposed by the District Court in its opinion and by the Department of Justice in its *amicus curiae* brief. The District Court noted in dismissing petitioners' "extraterritoriality" argument:

> A necessary element of any violation of the federal antitrust laws is an effect on interstate commerce. . . . The exemption created in *Parker* v. *Brown* for state action must be coextensive with the scope of the Sherman Act and thus is applicable to the interstate effects of a particular form of state action. *Parker* v. *Brown* itself supports this analysis, for that case involved action by the State of California to raise and stabilize the price of raisins, ninety-five percent of which were sold outside the state. 317 U.S. at 345. Plaintiffs' "extraterritoriality" argument is in direct conflict with the fundamental message of *Parker* that the entire Sherman Act, including its extraterritorial coverage, was never intended to restrain state action undertaken pursuant to a proper legislative mandate to displace competition.

(Pet. App. 25a, 26a.)

Petitioners' portrayal of the *Parker* decision as holding that the state action doctrine applies only "where there was no element of interstate commerce" (Pet. at 11) is simply wrong. If there were no element of interstate commerce in this case, the Sherman Act would not apply and the question of immunity under the state action doctrine would not arise.

(3) The lower court found that "Puerto Rico is a state for purposes of applying the *Parker* doctrine." (Pet. App. 18a). Aside from the fact that petitioners conceded this point in the District Court and the issue was thus not properly raised on appeal, petitioners are unable to cite any relevant case with which this ruling conflicts. On the contrary, it has been specifically held that Puerto Rico should be considered as a state for purposes of applying the state action doctrine to the actions of the government of Puerto Rico. *International Telephone & Telegraph Corp.* v. *General Telephone & Electronics Corp.*, 351 F.Supp. 1153, 1229 (D. Hawaii 1972), *modified on other grounds*, 518 F.2d 913 (9th Cir. 1975).

Petitioners' reliance on the Court's recent decision in *Harris* v. *Rosario*, _____ U.S. _____, 48 U.S.L.W. 3765 (May 27, 1980) (*per curiam*), as a conflicting holding is misplaced. *Rosario* dealt with the authority of Congress to treat Puerto Rico differently than the states for purposes of defining Medicare benefits. The Court's finding that Congress has such authority does not raise any question regarding the validity of the holding that, for purposes of applying the state action doctrine, Puerto Rico is properly treated as the equivalent of a state.

(4) Petitioners have asked this Court to consider whether Puerto Rico loses its sovereign immunity when

it engages in commercial activities or operates outside its borders. Petitioners' attempt to commingle the doctrine of sovereign immunity with the notion of immunity from the antitrust laws, however, misconceives the thrust of the state action doctrine. Activities that come within the state action doctrine are immunized from any liability under the antitrust laws on the theory that Congress in enacting the antitrust laws did not intend to prohibit such activities. As the First Circuit said in rejecting a similar contention that sovereign immunity principles apply to the state action doctrine: "[W]e do not reach any question of immunity, since there is no attempt on the part of Congress to impose liability in the first instance." *E.W. Wiggins Airways, Inc.* v. *Massachusetts Port Authority*, 362 F.2d 52, 56 (1st Cir. 1962), *cert. denied*, 385 U.S. 947 (1966).

2. The Validity Of The PRMSA Act Under The Second Organic Act Of Puerto Rico And Its Validity Under The Commerce Clause Of The Constitution Were Not Questioned In The Complaint And Were Not Ruled On By The Court Of Appeals And, Therefore, Are Not Proper Grounds For Granting The Petition For Writ Of Certiorari.

Petitioners' arguments that the PRMSA Act is invalid because (i) it violates the provisions of the Second Organic Act of Puerto Rico, 48 U.S.C. §821 (1976), and (ii) it contravenes the provisions of the Commerce Clause of the Constitution should not be considered as grounds for granting the petition for writ of certiorari. These arguments were not advanced before the District Court.

Sections 1, 2 and 3 of the Sherman Act formed the sole basis for petitioners' complaint in this action.

Neither the District Court nor the Court of Appeals ruled on petitioners' belated arguments regarding the validity of the PRMSA Act under the Second Organic Act and the Commerce Clause. The Court of Appeals in its *per curiam* decision made it clear that ". . . the district court correctly identified the issues raised by the plaintiff as involving only violations of the Sherman Act. On these issues we are in agreement with the district court's disposition." (Pet. App. 32a.) Accordingly, these arguments afford no basis for granting the petition for writ of certiorari in this case.

3. The Lower Courts Correctly Determined That Venue Was Not Appropriate In The District Of Columbia For Respondents R.J. Reynolds Industries, Inc., McLean Industries, Inc., And Gulf Puerto Rico Lines, Inc.

This Court should not exercise its discretion to review the Court of Appeals' *per curiam* affirmance of the District Court's finding on venue as to Reynolds, McLean and GPRL. So long as the District Court's decision on the applicability of the state action doctrine remains, the venue ruling is inconsequential. Moreover, as a practical matter, the District Court's decision that venue is lacking against Reynolds, McLean and GPRL can have no adverse monetary effect on petitioners. Venue is not disputed as to Sea-Land Service, the Reynolds subsidiary that was actually engaged in the Puerto Rico trade prior to formation of PRMSA. Sea-Land is a substantial company, fully capable of answering any judgment petitioners could obtain if they were successful on the merits.

In support of their venue claim, petitioners rely here for the first time on the District of Columbia's "long

arm'' provision, D.C. Code §13-423 (Supp. 1980). The ''long arm'' provision does not provide for the laying of venue. Moreover, the provision was not part of petitioners' argument before the Court of Appeals. It, therefore, is not now properly a basis for granting a petition for writ of certiorari. *O'Bannon* v. *Town Court Nursing Center*, _____ U.S. _____, 48 U.S.L.W. 4842, 4844 n. 14 (June 24, 1980).

Petitioners' additional reliance on the federal venue provisions, 28 U.S.C. §1391(b) (1976), also fails to raise any issue that is worthy of this Court's consideration. The relevant portion of Section 1391(b) provides for venue in the judicial district in which the claim arose. The District Court found that there were no overt acts in the District of Columbia which constituted a ''significant and substantial'' element of the purported offense. It accordingly determined, consistent with the holding in *Philadelphia Housing Authority* v. *American Radiator & Standard Corp.*, 291 F.Supp. 252 (E.D. Pa. 1968), that petitioners had not demonstrated that the claim arose in the District of Columbia.

The District Court did find that there were meetings among the respondents within the District, but it concluded that these meetings could not be construed as actions related to an antitrust violation. Thus, even if petitioners' ''coconspiratorial'' view of the various governmental and private parties is given credence, it makes no difference in the application of Section 1391(b). No act in furtherance of the supposed conspiracy was found to have taken place within the District. *See Mandelkorn* v. *Patrick*, 359 F.Supp. 692 (D.D.C. 1973).

In sum, the present venue question raises no issues of first impression. Nor is there a conflict among the cir-

cuits. The District Court's ruling represents nothing more than the application of well-settled law to undisputed facts.

CONCLUSION

For the above reasons, the petition for writ of certiorari should be denied.

Respectfully submitted,

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December 23, 1980

APPENDIX

Appendix A

R. J. Reynolds Industries, Inc. wholly owns McLean Industries, Inc., Sea-Land Industries, Inc., and Gulf Puerto Rico Lines, Inc. Subsidiaries and affiliates of these corporations, other than wholly-owned subsidiaries and affiliates, are:

R. J. Reynolds Tobacco Co. GmbH
R. J. Reynolds Tobacco Co. Limited
Iranian Oil Participants Ltd.
Iranian Oil Services Holding, Ltd.
Iranian Oil Services, Ltd.
Iricon Agency, Ltd.
Pars Investment Corporation
Minas y Petroleos del Ecuador, S.A.
Petrolera Yusani, S.A.
Central African Petroleum Refineries (Prf) Ltd.
Solar Gas, Inc.
Long Beach Oil Development Co.
Signal Oil of Louisiana, Inc.
Alimentos Mexicanos Selectos, S.A. de C.V.
Canadian Canners Limited — Conserveries Canadiennes Limitee
Calpak Espanola, S.A.
Compania Venezolana de Conservas C.A.
Helenic Food Industries, S.A.
Kenya Canners Ltd.
Japan Calpak Co., Ltd.
Tabacos Capote, S.A.
Litogra Fia A. Romero S.A.
Fabrica de Cigarrillos El Progreso S.A.
Fabrica de Cigarros Baloyan, S.A.
P. T. R. J. Reynolds Indonesia
Filtrona Canada, Ltd.
R. J. Reynolds Tobacco GmbH
Zigaretten-Umsatz-Verguetungsstelle (ZUV) GmbH
R. J. Reynolds Tobacco Limited (N.Z.)
Supreme Tobacco Company N.V.
Tabacos Capote, S.A.

Entremar, S.A.
Hanjin Container Lines, Ltd.
Paringer Investments Ltd.
Crescent Transportation Company Ltd.
Marine Ro-Ro Feedships Corp.
World Feederships, Inc.
Aladdin Container Enterprises

Sun Ship, Inc., is a wholly-owned subsidiary of Sun Company, Inc. The subsidiaries (including wholly-owned subsidiaries) and affiliates of Sun Ship., Inc., are:

Suncor Inc.
- Albersun Pipeline Ltd.
- Alberta Gas Trunk Line Company Ltd.
- Apet Products Pipe Line Limited
- Athabasca Realty Company Limited
- Baron Petroleums Inc.
- Carnduff Gas Limited
- Gow Fuels Inc.
- Maywelle Properties Ltd.
- Nottingham Gas Limited
- Ouimet-Gobeille Inc.
- Redwater Water Disposal Company Limited
- SMS Petroleums Ltd.
- Sultran Ltd.
- Sun-Canadian Pipe Line Company Limited
- Sun Explorations of Quebec Ltd.
- Sun Oil Company of Canada Limited
- Suncor Supply Limited
- Sunoco Home Comfort Inc.
  - Muskoka Oil Company Limited
- Sunoco Inc.
  - Chemsun Inc.
  - Solartech Limited
  - Sunchem Inc.
  - Sunchem Shipping Inc.
- Sunray DX Canada Oil Company

Sun Oil Company (Delaware)
- Sun Gas Company, A Division
  - Planters Fertilizer Company, Inc.
  - Sun Gas Gathering Company, Inc.
  - Sun Gas Liquids, Inc.
  - Sun Gas Terminals and Storage, Inc.
  - Sun Gas Terminals and Storage (PA.), Inc.
  - Sun Nitrogen Products, Inc.
- Sun Production Company, A Division
  - Canyon Reef Carriers, Inc.
  - East Texas Salt Water Disposal Company
  - Jaresa Gas Gathering Company
  - Marble Falls Gas Co.
  - Radep Pipeline Company
  - Sunoco Operations, Inc.
  - Van Salt Water Disposal Company
- Sun Texas Company, A Division

Sunmark Exploration Company, A Division
- Angola Sun Oil Company
- Arabian Sun Oil Company
- Argentine Sun Oil Company
- Australian Sun Oil Company, Ltd.
- Bolivian Sun Oil Company
- Burma Sun Oil Company
- Deutsche Sun Oil Company
- Dubai Sun Oil Company
- Ecuador Sun Oil Company
- French Sun Oil Company
- Hispanic Sun Oil Company
- Indonesia Sun Oil Company
- Iranian Sun Oil Company
  - Lavan Petroleum Company
- Irish Sun Oil Company
- Kenya Sun Oil Company
- Liberian International American
- Libyan Sun Oil Company
- Mali Sun Oil Company
- Maroc Sun Oil Company

Mediterranean Sun Oil Company, S.p.A.
Niger Sun Oil Company
Noordzee Sun Oil Company
Scandinavian Sun Oil Company A/S
North Sea Sun Oil Company, Ltd.
Oman Sun Oil Company
Pakistan Sun Oil Company
Peruvian Sun Oil Company
Phillipine Sun Oil Company
Portugal Sun Oil Company
Solgas, Inc.
Sun Eastern Exploration Company
Sun Oil Algerie Inc.
Sun Oil Company (U.K.) Ltd.
Viking Oil Limited
Sun Oil International, Inc.
Liberian International American
Sun Orient Exploration Company
Sun Overseas Services, Inc.
Sun Support Services, Inc.
Sun Support Venezuela, Inc.
Sunmark Indonesia, Inc.
Sunmark Overseas Petroleum, Inc.
Sunmark Worldwide Services, Inc.
Sunray Australian Oil Company, Inc.
Sunray Borneo Oil Company, Inc.
Sunray Columbia Oil Company
Sunray Iranian Oil Company, Inc.
Sunray Nigeria, Inc.
Sunray Nigeria Oil Company Unlimited
Sunray Venezuela Oil Company, Inc.
Venezoil C.A.
Thailand Sun Oil Company
Venezuelan Sun Oil Company
Vietnam Sun Oil Company
Marine Investment Company of Delaware
Alaska Bulk Carriers, Inc.
Delaware Sun Shipping, Inc.

Delaware Valley Marine Agency
and Repair, Inc.
Eastern Sun Shipping, Inc.
Florida Barge Company
Glacier Bay Transportation Company
Millcreek Leasing Corporation
New Jersey Sun Shipping, Inc.
New York Sun Shipping, Co., Inc.
Northern Sun Shipping, Co., Inc.
Atlantic Sun Shipping, Company, Inc.
Balboa Sun Shipping Company, Inc.
Mediterrean Sun Shipping Company, Inc.
Sarnia Shipping Company, Inc.
Welland Shipping Company, Inc.
Pennsylvania Sun Shipping, Inc.
Philadelphia Sun Shipping Co., Inc.
Sun Barge Company
Sun Transport, Inc.
Texas Sun Shipping, Inc.
Virginia Sun Shipping Co., Inc.
Western Sun Shipping, Inc.
Sun Carriers, Inc.
Carolina Consolidators, Inc.
Carrier Systems, Inc.
CSI Five, Inc.
CSI Six, Inc.
CSI Seven, Inc.
CSI Eight, Inc.
CSI Nine, Inc.
CSI Ten, Inc.
Jones Truck Lines, Inc.
CSI Two, Inc.
Milne Truck Lines, Inc.
S.J.T., Inc.
SJT Real Estate Holding Co., Inc.
SJT-Cambridge Realty Corp.
SJT-Masbeth Realty Corp.
St. Johnsbury Trucking Company, Inc.

Zelco, Inc.
Standard Trucking Company
Sun Pipe Line Company
Sun Pipe Line Company of Delaware
Explorer Pipeline Company
Inland Corporation
Mid-Continent Pipe Line Company
Mid-Valley Pipeline Company
Sun Oil Line Company of Michigan
Sun Pipe Line Services Co.
Texoma Pipe Line Company
West Texas Gulf Pipe Line Company
Sun Ship, Inc.
El Taino Operations, Inc.
GTS Venture Corporation
Sunexport
660 Leasing Company
663 Leasing Company
Sound Shipping, Inc.
TTT, Inc.
Sun Terminals, Inc.
Gulf Coast Marine Agents, Inc.
Gulf Coast Marine Fueling, Inc.
Lou Petroleum Company
Lou Towing Company
STI Investments, Inc.
Sunoco Terminals, Inc. (DE)
Sunoco Terminals of Baltimore, Inc.
Sun International, Inc.
Middle East Sun Oil Company
Petrosun Limited
Sun International Limited
Sun Hydorponics Limited (Bermuda Gardens, Ltd.)
Sun Trading (Caribe) Limited
Sun Oil Trading Company
British Sun Oil Company, Limited
Sunoco International Limited

Hemisphere Oil Company, Inc. (DEL.)
Hemisphere Oil Company, Inc. (PR)
International Fuel Corporation
Japan Sun Oil Company
Liberia Refining Company
Sun Oil Company (Belgium) N.V.
Sun Oil Company (Nederland) B.V.
B.V. De Lange's Oliehandel, Hoogeveen
Deluxol Oil Company B.V. (Rotterdam)
Sun Oil GMBH
Sunoco A.G.
Sunoco Limited
Sunoco Overseas, Inc.
Petromech SDN. BHD.
Sunoco Overseas Limited
Lugrasa, S.A.
Sunoco Petrochemicals Limited
Sunray DX Liberia Oil Company
Sunoco Disc, Inc.
Sunoco, Inc.
Sun Oil Company of Pennsylvania
Sun Petroleum Products Company, A Division
Carboline Company
Carboline Eastern Europe Corporation
Carboline Dubai Corporation
Carboline Export Corporation
Carboline Far East Corporation
Carboline International Corporation
Carboline World-Wide Corporation
Corpus Christi Refining, Inc.
Prestige Lubricants, Inc.
Puerto Rico Sun Oil Company
Puerto Rico Sun Realty Company, Inc.
Yabucoa Sun Oil Company, Inc.
Sun Industrial Development Company
Sun Oil Power Services Company
Sun Oil Export Company
Sunoco Science and Technologial
Services, Inc.

Sunolin Chemical Company
Suntech, Inc.
Toledo Refining, Inc.
Tulsa Refining, Inc.
Parachem, Inc.
Riverway, Inc.
Sunmark Industries, A Division
Fast Fare, Inc.
Fast Fare Markets of N.C., Inc.
Fast Fare Markets of S.C., Inc.
Kwik-Pik Realty, Inc.
Tiny Tote, Inc.
J-C, Inc.
Mr. Zip, Inc.
Zippy Mart, Inc.
Zippy Mart of Alabama, Inc.
Zippy Mart of Georgia, Inc.
Zippy Mart of South Carolina, Inc.
Zippy Mart Properties, Inc.
H.H. Palmer, Inc.
Herr Gas & Oil Co.
Hotchkiss Oil Company, Incorporated
Kelly Company
Kenco Petroleum Marketers Incorporated
Lansing-Lewis Company
Lansing Oil Company
Mascot Petroleum Company, Inc.
Mid-State Oil Company
Minnisink Oil Company, Inc.
Modern Oil Company
Mohawk Valley Oil, Inc.
Montour Auto Service Company
Smith Oil Corporation
Stop-N-Go Foods, Inc.
Buckeye Marketers, Inc.
Big Top Market, Inc.
Diversified Retailers, Inc.
Hoosier Stop-N-Go, Inc.

J.M.J. Enterprises, Inc.
Sioux Foods, Inc.
Casual Food Stores, Inc.
Stop-N-Go Foods of Dayton, Inc.
Stop-N-Go, Inc.
Stop-N-Go of Ohio, Inc.
Stop-N-Go of Southern Minnesota, Inc.
Super Go Marketers, Inc.
Tri-State Stop-N-Go, Inc.
Suncrest Industries, Inc.
Thill Oil Company, Inc.
Travelers Oil Company, Inc.
Your Party Stores, Inc.
Dunigan Tool and Supply Company, Inc.
Helios Capital Corporation
Beneco Leasing One, Inc.
Beneco Leasing Two, Inc.
Beneco Leasing Three, Inc.
Beneco Leasing Four, Inc.
Heleasco One, Inc.
Heleasco Two, Inc.
Heleasco Three, Inc.
Heleasco Four, Inc.
Heleasco Five, Inc.
Heleasco Six, Inc.
Heleasco Seven, Inc.
Heleasco Eight, Inc.
Heleasco Nine, Inc.
Heleasco Ten, Inc.
Heleasco Eleven, Inc.
Heleasco Twelve, Inc.
Heleasco Thirteen, Inc.
Heleasco Fourteen, Inc.
Heleasco Fifteen, Inc.
Heleasco Sixteen, Inc.
Heleasco Seventeen, Inc.
Heleasco Eighteen, Inc.
Heleasco Nineteen, Inc.

Heleasco Twenty, Inc.
Heleasco Twenty-One, Inc.
Heleasco Twenty-Two, Inc.
Heleasco Twenty-Three, Inc.
Heleasco Twenty-Four, Inc.
Heleasco Twenty-Five, Inc.
Heleasco Twenty-Six, Inc.
Heleasco Twenty-Seven, Inc.
Heleasco Twenty-Eight, Inc.
Heleasco Twenty-Nine, Inc.
Heleasco Thirty-One, Inc.
Heleasco Thirty-Two, Inc.
Heleasco Thirty-Three, Inc.
Heleasco Thirty-Four, Inc.
Kee Leasing Company
650 Leasing Company
652 Leasing Company
653 Leasing Company
666 Leasing Company
667 Leasing Company
670 Leasing Company
673 Leasing Company
675 Leasing Company
Sun Leasing Company

Radnor Corporation
Langford Farms Country Club, Inc.
Morgan's Run Corporation
Olney Oaks Land Development Corporation
Radnor/Aire Corporation
Radnor/Anderson Corporation
Radnor/Arlington Corporation
Radnor/Aston Corporation
Radnor/Birmingham Corporation
Radnor/Bloomfield Hills Corporation
Radnor/Brownsboro Corporation
Radnor/Brown Street Corporation
Radnor/Castleton Corporation
Radnor/Centre Corporation

Radnor/Cherry Tree Corporation
Radnor Development Corporation
Radnor/Dixie Corporation
Radnor/Fairland Corporation
Radnor/Grand Rapids Corporation
Radnor/Greenhouse Corporation
Radnor/Hampton Corporation
Radnor Homes, Inc. Corporation
Radnor/Hunters Pointe Corporation
Radnor/Hurstbourne Corporation
Radnor/I-95 Industrial Park Corporation
Radnor/Investment Corporation
Radnor/Island Corporation
Radnor/Jacksonville Corporation
Radnor/Juno Corporation
Radnor/Jupiter Corporation
Radnor/Jupiter Inlet Corporation
Radnor/Laguna Hills Corporation
Radnor/Matsonford Corporation
Radnor/Michigan Corporation
Radnor/Mishawaka Corporation
Radnor/Nashville Corporation
Radnor/National Square Corporation
Radnor/Newton Corporation
Radnor/Northwood Corporation
Radnor/Oakland Corporation
Radnor/Oceana Corporation
Radnor/Oceana South Corporation
Radnor of Hutchinson Island Corporation
Radnor/Orange Corporation
Radnor/Pennell Corporation
Radnor/Perimeter Park Corporation
Radnor/Portsmouth Corporation
Radnor/Ridge Corporation
Radnor/Route 100 Corporation
Radnor/Sandalwood Corporation
Radnor/Service Corporation
Radnor/Siesta Key Corporation

Radnor/St. Lucie Corporation
Radnor/Sugarland Corporation
Radnor/Tyson's Corner Corporation
Radnor/Uwchlan Corporation
Radnor/Valley Wood Corporation
Radnor/Viewpointe Corporation
Radnor/West Palm Beach Corporation
Radnor/West Palm Beach No. 2 Corporation
Striker, Inc.
Environmental Services of New Jersey, Inc.
Environmental Waste, Inc.
Sperry-Sun, Inc.
Cochran-Dean Co.
Reamco, Inc.
Russell Attitude Systems, Ltd.
Russell Attitude Systems Marketing Co.
Sperry-Sun International, Inc.
Sperry-Sun Do Brazil — Servicos Technicos Ltda.
Sperry-Sun of Canada, Ltd.
Sperry-Sun U.K., Ltd.
Sun Distributors, Inc.
American Electric Company
Philips & Company, Columbia, Missouri
Atlas Screw & Specialty Co., Inc.
Dorman Products, Inc.
Federal Pipe and Steel Corporation
General Industrial Supply Corp.
Harding Glass Industries, Inc.
Roto-Swing, Inc.
J.N. Fauver Co., Inc.
J.N. Fauver (Canada) Limited
Kar Products, Inc.
Raub Supply
Special-T-Acquisition Corporation
(Special-T-Metals Company, Inc.)
Walter Norris Corporation
Winter Acquisition Corp.

Sun Information Services Company
Applied Financial Systems, Inc.
Catallactics Corporation
NMF, Inc.
Sun Information Services of Kentucky, Inc.
Sun Services Corporation
The Weiland Computer Group, Incorporated
Financial Independents, Inc.
Independent Bank Computer Corporation
Totem Ocean Trailer Express, Inc.
Elk River Resources, Inc.
Jewell Resources Corporation
Anchor Red Ash Coal Corporation
Cumberland Collieries, Inc.
Dominion Coal Corporation
Jewell Coal and Coke Company, Inc.
Jewell Smokeless Coal Corporation
Jewell Supply Company
Oakwood Red Ash Coal Corporation
Vansant Coal Corporation
Shamrock Resources Corporation
Clover Coal Company, Inc.
Enexco, Inc.
Fourleaf Coal Company, Inc.
Freedom Coal Company, Inc.
Greenleaf Equipment Company
Greenwood Land & Mining Company
Plymouth Coal Company, Inc.
Shamrock Coal Company Incorporated
West Virginia Resources Corporation
Oneida Coal Company, Inc.
Scott Equipment Company
Wolf Creek Coal Company
Sunoco Energy Development Co.
Bighorn Ranch, Inc.
Sunedco Coal Co.
Sweetwater Coal Development Co.
Cordero Mining Co.

White River Shale Oil Corporation
Alliance Enterprise Corporation
L H I W, Inc.
    Becton, Dickinson and Company
Sun Exchange, Inc.
Sun Ocean Ventures, Inc.
    Deepsea Ventures, Inc.
Sun Ventures, Inc. (PA)
    Hannah Shipping, Inc.
    International Biomedical Instruments, Inc.
    License Royalty Corporation
    Pentagon Industries
        Universal Audio, Inc.
    Sun Ventures, Inc. (DE)
    The VLM Corporation
Financial Companies
    Ardprop, Inc.
    Ardvest, Inc.
    Sun-Del Services, Inc.
    Sun International Finance Corporation
    The Claymont Investment Company
        Sunoco Credit Corporation
    Helios Assurance Company, Ltd.
    Oil Insurance Limited
    Solcar Properties, Inc.
    Warbonnet Company
    Thunderbird Stations, Inc.
    Second Thunderbird Stations, Inc.
    Third Thunderbird Stations, Inc.
    Fourth Thunderbird Stations, Inc.
Name Saver Companies
    Admiral Paint Company, Inc.
    Carboline American, Inc.
    Carboline Marine Corporation
    Premier Petroleum Company
    Sun Company, Inc.
    Sun Financial Services, Inc.
    Sun Gas Company, Inc.

Sun Oil Company
Sun Petroleum Products Company, Inc.
Sun Production Company
Sun Texas Company
Suncoal, Inc.
Sunmark Exploration Company
Sunmark Industries, Inc.
Sunmark North Sea Oil Company
Sunray DX Oil Company
Suntide Refining Company
The Moran Paint Company

Inactive Companies

Can-Am Barge Company, Inc.
Caribe Sun Oil Company
Duncan Refining Company, Inc.
Sun Zippy, Inc.